

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:) Chapter 9
)
CITY OF DETROIT, MICHIGAN,) Case No. 13-53846
)
) Hon. Steven W. Rhodes
Debtor.)

**LIMITED OBJECTION OF THE DETROIT RETIREMENT SYSTEMS
TO THE CORRECTED FIFTH AMENDED PLAN FOR THE
ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT (July 29, 2014)**

In accordance with paragraph 4 of the Court's *Seventh Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor's Plan of Adjustment* dated August 6, 2014 [Dkt. No. 6560], the Police and Fire Retirement System of the City of Detroit (the "PFRS") and the General Retirement System of the City of Detroit (the "GRS" and together with the PFRS, the "Retirement Systems"), file this limited objection (the "Objection") to the Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit (July 29, 2014) [Dkt. No. 6379] (the "Plan") for the reasons set forth herein:

Objection

1. The Fifth Amended Plan changed the definition of Annuity Savings Fund Excess Amount¹ to provide: ““Annuity Savings Fund Excess Amount’ means the following, *as calculated by the GRS . . .*” 5th Am. Plan, § I.A.18 (emphasis added).
2. The GRS did not calculate the Annuity Savings Fund Excess Amount set forth on the ballots of Holders of Class 11 Claims; Conway MacKenzie and Milliman made these calculations.
3. Charles Moore testified to this fact during his July 24, 2014 deposition: “[O]nce various scenarios were identified, we obtained information from the -- directly from the general retirement system, and we calculated what the excess interest was each year and then based on parameters, the -- that access amount was determined by individual. As it relates to the annuitization of that, that was done by the City's actuary, Milliman.” *See* Moore 7/24/14 Tr. at 229-230.

4. It is unclear whether, in adding the language “as calculated by the GRS” to the definition of Annuity Savings Fund Excess Amount, the City intended to suggest that the GRS: (a) calculated the amounts as shown on the ballots or (b)

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

will calculate the Annuity Savings Fund Excess Amount for each impacted participant in the future when the GRS implements the terms of the Plan, if confirmed.

5. If, in adding this language, the City intended to suggest that the GRS calculated the amounts shown on the ballots, this is untrue (as discussed above), and the GRS therefore requests that this language be removed from the definition of Annuity Savings Fund Excess Amount.

6. If, in adding this language, the City intends to suggest that the GRS will calculate the Annuity Savings Fund Excess Amount when it implements the terms of the Plan, if confirmed, this is a matter for discussion between the parties. In any event, the GRS submits that such a provision, if agreed upon between the parties, should be made in a more clear and explicit fashion, perhaps in the Plan confirmation order, rather than by this somewhat obscure definitional change.

7. The Retirement Systems reserve the right to object to any further amendments to or versions of the Plan, as well as any free-standing motions that affect the Plan, including motions filed last night with respect to a potential settlement with certain “DWSD Financial Parties.”

8. The Retirement Systems incorporate all previously-filed objections and statements of reservations regarding the Plan.

Dated: August 12, 2014

Respectfully submitted,

CLARK HILL PLC

/s/ Robert D. Gordon
Robert D. Gordon (P48627)
Shannon L. Deeby (P60242)
151 South Old Woodward Avenue
Suite 200
Birmingham, Michigan 48009
Telephone: (248) 988-5882
Facsimile: (248) 988-2502
rgordon@clarkhill.com
sdeeby@clarkhill.com

Counsel to the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)
) Chapter 9
CITY OF DETROIT, MICHIGAN,)
) Case No. 13-58346
)
Debtor.) Hon. Steven W. Rhodes
)

CERTIFICATE OF SERVICE

The undersigned certifies that on August 12, 2014, the Limited Objection of the Detroit Retirement Systems to the Corrected Fifth Amended Plan for the Adjustment of Debts of the City of Detroit (July 29, 2014) was filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record.

CLARK HILL PLC

/s/ Robert D. Gordon
Robert D. Gordon (P48627)
151 South Old Woodward Avenue, Suite 200
Birmingham, Michigan 48009
Telephone: (248) 988-5882
Facsimile: (248) 988-2502
rgordon@clarkhill.com

Dated: August 12, 2014

Counsel to the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit